

★ Roll Call Number

14-0698

Agenda Item Number

24

Date May 5, 2014

APPROVING PRELIMINARY TERMS OF AGREEMENT WITH HEART OF AMERICA GROUP FOR DEVELOPMENT OF A HOTEL AT EAST 4TH AND EAST GRAND AVENUE

WHEREAS, on November 18, 2013, by Roll Call No. 13-1850, the City Council directed the City Manager to work with Heart of America Group (hereinafter "HOA"), represented by its President, Mike Whalen, on preliminary term of agreement for the development of a boutique hotel on City-owned property at the SE Corner of East 4th and East Grand; and,

WHEREAS, the City Manager's staff have negotiated preliminary terms of agreement with HOA whereby HOA will undertake to purchase and improve the City-owned property by the construction of a 6-story, 100 room hotel featuring underground parking, a rooftop bar, and a small fitness center, having a total estimated project cost of \$18.125 million, in exchange for City economic development assistance consisting of a grant back of the land sales proceeds of \$550,000 and 80% of the project-generated tax increment for a term of 20 years, all as more specifically described in the accompanying council communication.

( Council Communication No. 14- 213 )

MOVED by Gatto to receive, file and approve the preliminary terms of agreement as set forth in the accompanying Council Communication, and to direct the City Manager to proceed with negotiation of a formal agreement with Heart of America Group consistent with the terms set forth in the accompanying Council Communication.

FORM APPROVED:

Roger K. Brown

Roger K. Brown, Assistant City Attorney

G:\USERS\RKBrown\Rog Docs\Eco Dev\HA\RC Prelim Terms.doc

Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, COLEMAN, GATTO, GRAY, HENSLEY, MAHAFFEY, MOORE, and TOTAL. A large handwritten '7' is written over the YEAS column for the TOTAL row.

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

Y. M. Franklin Council Mayor

Diane Rauh City Clerk